

## Marketing makeover



Carlos Antonio Rios photos / Chronicle

Actress Jaclyn Smith shows off part of her line of clothing Friday with Kmart Corp. Chief Executive Floyd Hall at the Meyerland Plaza Big Kmart opening. Smith shopped in Meyerland while growing up in Houston.

# Big Kmart wants shoppers back

## New store design brighter, upscale

By KATHERINE FESER  
Houston Chronicle

Kmart Corp. unveiled its new and improved Big Kmart stores in Houston Friday hoping to change the minds of shoppers like Emeldia Bailey.

The chain is spending big money to revamp the look of its stores with the goal to regain customers lost to other discount retailers in the last few years.

"It used to be all junky every time you'd go in," Bailey said while visiting the new store at Meyerland Plaza. Bailey thinks the new stores are an improvement over the old and worn Kmarts she remembers.

"It's all bright and looks nice," Bailey said. "You don't mind shopping when it looks like this."

The retailer opened 24 Big Kmart stores in Texas Friday, including 19 in Houston, for the largest single opening in the company's history. The openings come just in time for the Christmas retail season.



The shoppers turned out for Friday's grand opening and the company is hoping the new uncluttered store layout will keep them coming back.

Chairman, President and Chief Executive Officer Floyd Hall, actress Jaclyn Smith, a number of Kmart executives — and *Sesame Street's* Cookie Monster — attended the grand opening held at the Meyerland Plaza shopping center.

This new Kmart location was one of 10 former Venture discount stores in Houston that were converted to Big Kmarts.

The changes, made under the leadership of Hall, are designed to save customers time by offering a broad array of products in a store that's easy to navigate.

"If you have a reputation that's not stellar, it's tough to take customers away from somebody else," Hall said. "But we're doing a pretty good job of it."

The company's earnings report this week showed Kmart is doing better. The company reported it earned \$18 million, or 4 cents a share, during the third quarter, double the \$9 million for the same quarter last year.

However, the biggest gains were from cost-cutting by the company, which used the report to announce it was offering early retirement to 28,500 workers.

"It's very important for us to create a new image for the customer and the investor," said Bob Burton, divisional vice president of investor relations for Kmart. He noted that the company's stock has recovered considerably from two years ago, when it was around 5¢. The stock closed unchanged Friday at 12¢.

Hall is falling back on cost-cutting measures because his two-year plan to revive Kmart's long neglected discount stores is taking longer than expected, some analysts told Bloomberg News.

The new stores eliminate the crowded clutter of the company's old-style stores.

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